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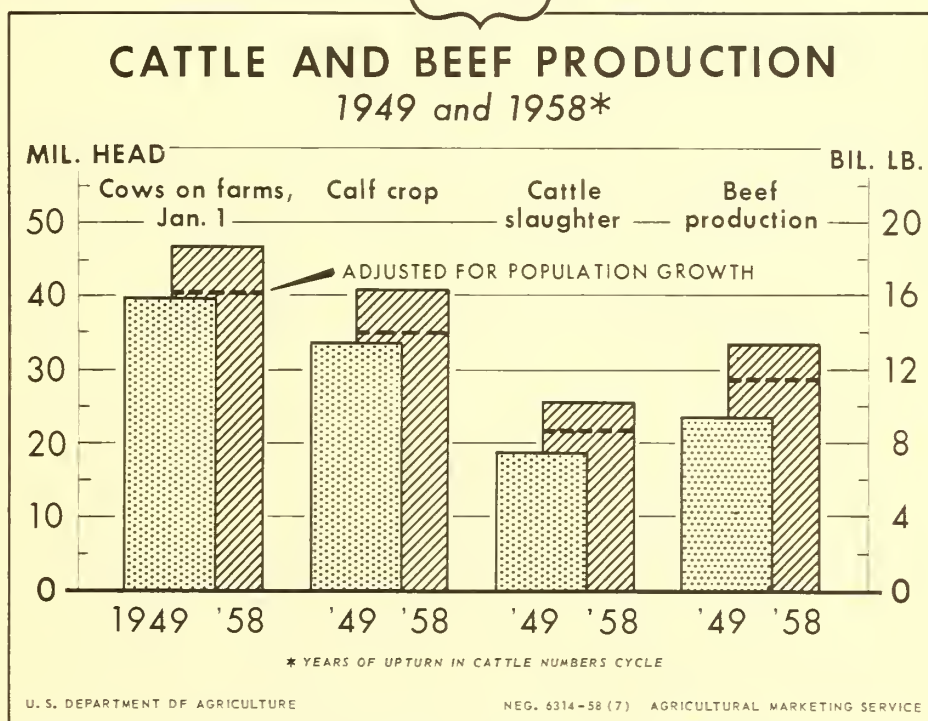
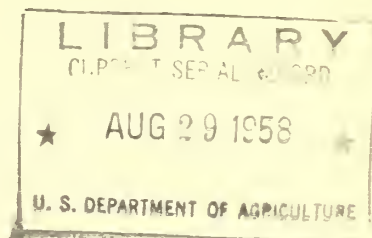
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AUG. 25, A. M.

The

LIVESTOCK and MEAT SITUATION

LMS-97



Cow numbers, calf crop, annual cattle slaughter and beef output--all are larger now than in 1949. In relation to the larger United States population (the dashed line), the cow herd and calf crop are only a little above 9 years ago. But cattle slaughter and beef output are up a good deal, mainly because the cattle herd is more

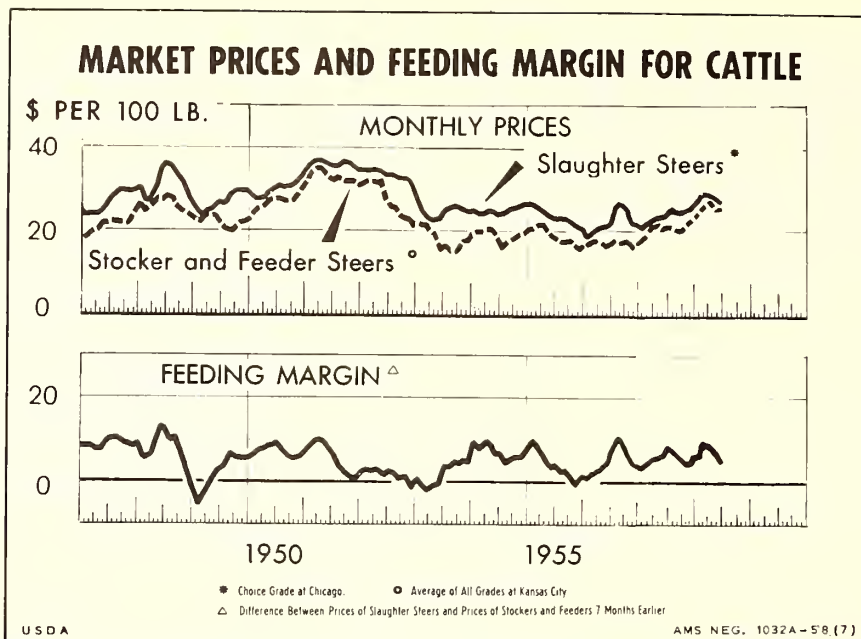
productive.

In the next year or two, as numbers increase cyclically, cattle slaughter will show at most only a small gain and prices will stay relatively high. But the increased productivity will keep the beef supply higher than in the last cycle, and may prevent as extreme price swings.

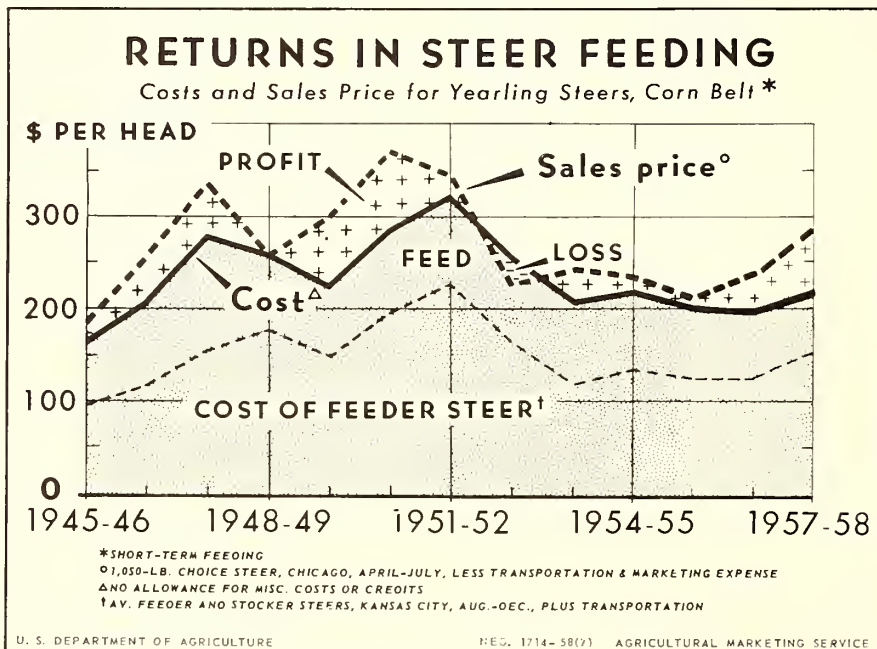
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Price margins in cattle feeding were fairly wide during the past year. They narrowed during the summer, however, and by August had become rather small. Consequently --



profits in a Corn Belt program of short feeding for spring sale (shown above) were higher than usual. Most other feeding programs also returned above average profits. Programs for late-summer sale proved the least profitable.

THE LIVESTOCK AND MEAT SITUATION

Approved by the Outlook and Situation Board, August 18, 1958

SUMMARY

Increases in meat animal production are resulting from relatively high livestock prices, record supplies of feeds, and good pastures. The pig and lamb crops for 1958 are larger than last year. Numbers of cattle on farms are beginning to rise and the volume of cattle feeding is heavy. Seasonal increases in marketings and slaughter of hogs are expected this fall, and a higher supply level and considerably lower prices are in view for next year. Substantial increases in cattle slaughter, on the other hand, are farther in the future.

The 1958 calf crop is expected to be slightly smaller than the 1957 crop. But slaughter of cattle, and especially of calves, has been reduced so much that an increase is expected in the inventory of cattle and calves on farms next January 1. This would end the recent decline in numbers after only 2 years. It seems likely that expansion will continue in 1959 and later, but that the rate will be slower than in the last cycle. Cattle slaughter will likely show at most only a small gain during the first year or two of the current cycle and prices should be relatively strong.

Hog slaughter this fall will not average greatly different than last fall, as the 1958 spring pig crop was only 2 percent larger than the 1957 crop while more gilts from this year's crop will be retained for breeding. Prices this fall likewise may average close to those of last fall.

Some further expansion is also taking place in sheep production. The 1958 lamb crop totaled 20,779,000 head, 4 percent larger than in 1957. The number of breeding ewes was up and lambing conditions were favorable. So far this year the slaughter rate for sheep and lambs, like that for cattle and calves, has been below a year ago. Hence, the number on farms and ranches next January 1 will be up noticeably from last January. Lamb prices may be seasonally lower this fall but probably around the levels of last fall.

Prices of fed cattle (Choice grade) had declined \$5.00 per 100 pounds by mid-August from their high in March. Market supplies of fed cattle may be so large as to prevent more than a small recovery in prices this fall. However, as cattle slaughter will remain cyclically small, prices of fed cattle during much of 1959 are expected to average fairly high--possibly at about their 1958 average.

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Profits in feeding of cattle were generally favorable this past feeding season. Short-term feeding for sale in early spring, when prices were highest, returned greater profits than long-term feeding. Because prices for feeder cattle will be considerably higher this fall than last, it is almost certain that profits in feeding this coming season will be less than last season. But prospects appear fairly favorable for moderate profits in feeding, since the cattle cycle has not proceeded far enough for any marked price declines to be expected.

Production of all meat in 1958 is expected to total about 25.9 billion pounds, 4 percent below last year. Consumption per person for the year is forecast at 150 pounds, down 9 pounds from 1957. Most of the reduction is in beef and veal.

REVIEW AND OUTLOOK

Livestock Increases in 1958 Mean More Meat in Later Years

Meat animal production is increasing. Abundant feed, good pastures and favorable livestock prices for nearly 2 years have encouraged farmers to step up production. The pig and lamb crops, which can respond quickly, are larger this year than last. The 1958 calf crop is down slightly but the current build-up of cattle herds is the prelude to larger calf crops later.

Increases in meat production will follow. Meat production for this year is forecast at 25.9 billion pounds, down 4 percent from last year and 8 percent less than the record 1956 output. The reduction is largely in beef and veal, as cattle and calves are being withheld from slaughter for breeding or further feeding. More meat will be produced in 1959, as pork output will be up. However, largest increases are not expected until later years, as a substantial expansion in beef and veal supplies is not likely before 1960 at the earliest.

1958 Calf Crop Smaller, But Total Slaughter Down More; Cattle Inventory To Increase Jan. 1, 1959

An increase in the inventory of cattle and calves on farms January 1 1959 is in prospect. Based on data through July, the gain could be 2 million head or more.

A preliminary estimate from a survey made about July 1 indicated that the 1958 calf crop will be only 135,000 smaller than that of 1957. The reduction is resulting from fewer cows on hand. The inventory of all cows on farms last January was down almost 900,000 from January 1957. The calving rate (number calves per 100 cows) promises to be higher this year.

Slaughter of cattle and calves has been cut back much more than the reduction in the calf crop. Commercial slaughter of cattle through July was approximately 1.5 million head below last year, and that of calves was 1.3 million less, a combined decrease of 2.8 million. The year's total decrease is expected to be about 3.5 million.

Cattle numbers on farms last reached a low point in 1949. They increased rapidly until 1953, then rose slowly. The breeding herd reached its peak in 1955, the total herd in 1956. Numbers declined during 1956 and 1957, the shortest downswing on record, and the total decrease was not great. Except for the fairly sharp reduction in January 1957, numbers have been relatively uniform since 1953. They varied only between 94 and 97 million during that time. If numbers should increase considerably next January, the rise would be the largest since 1953.

Numbers Likely to Continue Upward;
Present Productivity Higher

In the past when cattle numbers started upward, they continued to increase for several years. In view of this experience, and since present conditions are favorable, it seems likely that inventory numbers will expand for the next several years.

While the record of past cycles is helpful in forecasting the future, it is not in itself a sufficient guide. It is necessary also to examine the similarities and differences from past cycles, especially since the cycle just concluded differs in some features from previous ones.

In size the cattle industry in 1958, at the beginning of a new cyclical upturn, exceeds that of 1949, when the last upturn began, in about the same ratio as the increase in population. For example, the cow herd of 1958 is 18 percent greater than that of 1949, but in relation to population it is less than one percent greater. The estimated calf crop for 1958 likewise is only a little larger relative to population than was that of 1949. In this respect the two years are similar.

On the other hand, production of beef in 1958 is about 45 percent greater than it was at the beginning of the last cycle. Beef supplies per person are almost certain to remain larger in this cycle than they were in 1949-51. Larger imports of cattle, and a slightly slower rate of herd build-up, are contributing to the larger beef production now. But by far the biggest source of increased beef output, relative to population, is the higher productiveness of the national beef herd. Considerably more beef is produced now per head of cattle in the January inventory than was the case 9 years ago.

This increase in productiveness has been described in previous issues of this Situation. Briefly, it arises, first, from the shifts to beef type cows. In 1949, cows for milk outnumbered beef cows (called "other" cows in statistical reports) by 3 to 2. By 1958 there were more beef than milk cows on farms. Second, the breeding of beef cattle has been improved since 1949. And third, with the feed supply larger and prices cheaper, and consumer preference directed toward the moderately finished "fed" beef, a higher percentage of the annual calf crop has been raised and fed to maturity.

This third factor, the feeding of more calves to maturity largely through expanded feeding operations, has been the biggest single factor adding to the productiveness of the cattle herd.

As a result of these changes, slaughter of calves has been rather small and slaughter of cattle has been large. The number of calves slaughtered in 1958 will scarcely exceed the average for 1949-51 (table 1). Slaughter of cattle, on the other hand, will be almost 40 percent larger. Calf slaughter for 1958 is only 30 percent of the cattle-and-calf total compared with 36 percent in 1949-51. It also is a smaller percentage of the calf crop this year than in 1949-51.

This year's slaughter of steers will total about 40 to 45 percent greater than the average for 1949-51. Heifer slaughter has more than doubled since those years. Feeding of more beef heifer calves to maturity has been a striking trend of the last several years.

Feed Supply Also to
Determine Beef Output

Since more cattle are now fed to maturity, the conditions affecting cattle feeding have more bearing than before on the rate of annual beef output, and the size of the basic breeding herd has less. If smaller supplies and higher prices of feed should at any time make feeding unprofitable, beef production per person could be reduced considerably. But this is most improbable, in view of the huge supply of feed now available. It is much more likely that abundant feed will give a further thrust to cattle feeding in the coming year and perhaps longer.

To repeat, it is the higher productivity of the cattle herd, rather than the size of the breeding herd, that is providing more beef per person now than in 1949-51. It will likely continue to provide somewhat more beef than in those years.

Table 1.--Selected data on cattle numbers and production at 1949 and 1958 upturns in cattle inventory

Item	Unit	1949 upturn		1958 upturn	
		1948	1949-51 average <u>1/</u>	1957	1958 <u>2/</u>
Inventory of cows January 1					
Milk	1,000 head	24,615	23,761	22,916	22,357
Beef	do.	16,010	17,063	24,754	24,427
Percentage of total					
Milk	Percent	60.6	58.2	48.1	47.8
Beef	do.	39.4	41.8	51.9	52.2
Calf crop	1,000 head	33,125	34,824	41,007	40,872
Slaughter -- Total					
Cattle	do.	19,177	18,154	27,089	25,300
Calves	do.	12,378	10,267	12,362	10,650
Percentage of total					
Cattle	Percent	60.8	63.9	68.7	70.4
Calves	do.	39.2	36.1	31.3	29.6
Calf slaughter as a percentage of calf crop	do.	37.4	29.5	30.1	26.1
Under Federal inspection					
Cows	1,000 head	5,279	4,151	6,051	5,400
Percentage of January 1 inventory of cows	Percent	13.0	10.2	12.7	11.5
Heifers	1,000 head	1,483	1,360	2,980	2,800
Percentage of January 1 inventory of heifers <u>3/</u>	Percent	14.7	13.3	26.2	24.5
Steers	1,000 head	5,751	<u>4/</u> 6,738	10,018	9,600
Percentage of January 1 inventory of steers <u>3/</u>	Percent	86.2	95.8	110.0	101.0
Inventory change, January 1-December 31					
Cows	1,000 head	-844	1,381	-886	
Heifers	do.	-84	560	32	
Steers	do.	598	377	400	
Calves	do.	64	1,399	-2	
All cattle and calves	do.	-341	3,747	-535	Probably 2 to 3 million
Beef production, total	Million pounds	9,075	9,270	14,211	13,400
Per person	Pounds	61.9	61.1	83.0	77
Beef consumption, per person	do.	63.1	61.1	84.5	79

1/ Average for the 3 years is a more reliable indicator of that period than are data for a single year.

2/ Partly forecast.

3/ Useful for comparisons only. Much of steer and heifer slaughter comes from the calf inventory.

4/ Increase is not typical of most cattle cycles.

Cattle Slaughter
Down Most

Although the level of productivity is higher, the new cattle cycle in many respects is evolving in about the same manner as it did in the same stage of the cycle that began in 1949.

In every cycle, an upturn in cattle numbers is brought about by a general withholding of cattle from slaughter. Specifically, this takes three forms:

- (1) Retaining cows for "one more" calf.
- (2) Retaining many more calves, both for feeding and for breeding.
- (3) Feeding steers and heifers longer, and usually to heavier weight.

Each of these has occurred in 1958. Slaughter of cows for the year will be around a tenth less than last year. It will be about 11.5 percent of the January 1 inventory of cows (table 1).

This is not a sharp reduction. In 1949-51, cow slaughter under Federal inspection averaged a fifth below 1948 and was only 10.2 percent of inventory.

As usual, the big cut in slaughter has been in calves. Calf slaughter for 1958 will be about 15 percent less than 1957, a reduction nearly equal to that of 1949-51.

Since the first of this year, steer and heifer slaughter, while still large, has fallen short of expectations. Producers and feeders have been in no hurry to sell their fat stock. With feed abundant and the price of cattle relatively favorable, there has been no incentive for hasty sale.

Highlighting this trend, the number of cattle on feed has advanced to new highs. The April 1 and July 1, 1958 inventories were record large for those dates. These inventory data reflect the slower movement and are not as alarming as might appear. They relate more to the slow marketing rate than to the year's total market supply.

Slaughter of fed steers and heifers in the second half of 1958 is expected to be larger than in 1957 but slaughter of all classes off grass will be smaller. The year's total slaughter of all steers and heifers may be around 5 percent less than in 1957. Each will be smaller relative to inventory than in 1957.

Cow Herd Now
About Stable

As the changes in slaughter in 1958 resemble those of the previous cycle, the pattern of inventory change also may be similar. For reference, inventory changes in 1949-51 were as follows:

	Change during year in number on farms (1,000 head)		
	<u>1949</u>	<u>1950</u>	<u>1951</u>
Cows	815	1,498	1,829
Heifers	164	467	1,050
Steers	-465	224	1,371
Calves	610	1,932	1,654
All cattle and calves (including bulls)	1,133	4,120	5,989

The cut in cow slaughter in 1958, together with the only modest reduction in heifer slaughter, will do little more than hold cow inventories about steady at the end of the year. The 3-year downtrend in cow numbers would thus be ended, but little net addition would be made. Apparently, not enough mature cows have been retained to enlarge the herd, and most of the heifer calves recently held for breeding will not be old enough to be a part of the breeding herd by next January.

The prospective increase of 2 million or more in total cattle and calves on farms will be confined almost entirely to calves, steers and heifers. About half will probably be calves.

The cow herd is often last to show a large gain, and it may be expected to increase substantially in January 1960 and again in January 1961.

New Cyclical Rise
To Be Slower

Cow numbers, and also total cattle numbers, may not increase as fast in the current upswing as they did in 1949-53. This is likely because of the great importance of cattle feeding. A shift from cattle production (cow-and-calf operations) to feeding was a major cause of the 1956-58 decline in cattle inventories. The shift was due, in turn, to trends mentioned previously. Abundant and cheap feed, strong consumer demand for fed beef, and greater technological advances in cattle feeding than in cattle production. A continuation of that shift would tend to hold the increase in the breeding herd to a slow rate, and keep annual beef output at a fairly high level.

Withholding for herd expansion will probably continue in 1959. As the breeding herd and calf crop will not yet have increased much, this means that cattle slaughter will again be rather small compared with recent years. More steers will likely be available for slaughter in 1959 than this year. Cow slaughter, however, will be little if any larger, and might be smaller. Heifer slaughter will probably be no larger, and is more likely to decrease.

Firm Prices Likely
in 1959

If these prospects for slaughter materialize, and if demand for meat remains strong, prices of cattle may be expected to remain firm during at least a large part of 1959.

Prices of fed cattle have weakened from their high in March. By mid-August Choice steer prices were down \$5.00 per 100 pounds. Mid-August prices remained a little above a year before. In view of large supplies of fed cattle to be marketed this fall, prices may not turn upward before late in the year. In the meantime prices may remain about steady, or even slip off somewhat more.

Prices of feeder cattle have changed little since early spring and are much above last year. In mid-August they averaged about \$6.00 per 100 pounds higher than in August of 1957.

Prices of feeder cattle are usually determined by (1) supplies of feed, including range feed, and feed prices; (2) recent profit levels in feeding; and (3) current and prospective prices of fed cattle. On the whole, these factors point to the probability that feeder prices will remain fairly close to recent levels.

Supplies of feed will be extremely abundant. The August 1 crop report indicated a record 144 million tons of feed grains will be harvested. Other feeds also are abundant.

As will be noted below, profits in feeding were much above average this past season, especially for cattle sold on the spring market. This also tends to support the price of feeder cattle.

The one factor pointing in the other direction is the recent decline in prices of fed cattle. This could result in some seasonal decline in feeder cattle prices. However, any drop would very likely be rather small. Prices of feeder cattle will almost certainly average considerably higher this fall than last.

Table 2.--Price of Choice grade slaughter steers at Chicago and of all stocker and feeder steers at Kansas City, and 7 months lagged margin, by months, 1957 to date

Year and month	Price per 100 pounds		Margin between slaughter steers and stockers and feeders 7 months previous <u>2/</u>
	Choice grade slaughter steers, Chicago	Stocker and feeder steers, Kansas City <u>1/</u>	
	<u>Dollars</u>	<u>Dollars</u>	<u>Dollars</u>
1957			
January	21.23	17.68	4.21
February	20.57	18.24	3.21
March	21.86	19.35	3.98
April	22.99	20.86	5.77
May	23.31	21.13	6.00
June	23.48	20.20	6.19
July	25.12	20.74	8.45
August	25.63	20.33	7.95
September	24.98	20.11	6.74
October	24.67	20.18	5.32
November	25.20	21.41	4.34
December	25.98	22.68	4.85
1958			
January	26.82	23.02	6.62
February	27.54	24.35	6.80
March	29.90	25.79	9.57
April	29.37	26.83	9.26
May	28.83	27.16	8.65
June	28.07	25.38	6.66
July	26.99	25.43	4.31
August <u>3/</u>	25.70	24.14	2.68

1/ Average for all weights and grades.

2/ Margin between prices of Choice grade slaughter steers at Chicago for current month shown and of stocker and feeder steers at Kansas City 7 months previously.

3/ 2-week average.

Market price data compiled from Market News, Livestock Division.

Above-average Profits Made
In Feeding Past Season

Cattle feeding returns during the 1957-58 feeding year were well above average -- in fact, nearly as large as in 1950-51 when the Korean conflict boosted cattle prices. Feed costs were the lowest since the war. While feeder cattle prices were higher, fed cattle prices were up enough to provide favorable feeding margins.

The calculations shown in table 3, which are representative of short feeding of yearling steers in the Corn Belt, indicate a return of \$71.76 per head over listed cost items. (The cost of overhead, pasture or other feed ingredients, antibiotics or hormones and death loss are not included, nor are credits for manure and for hogs following steers.)

Fed cattle prices rose rather sharply early this year to a spring-time peak before trending slowly downward. The short-term feeding program of table 3 took good advantage of this price pattern. Long-term feeding, while profitable, did not yield as high profits as did the short-term. The downtrend in prices offset part of the advantage of cheap feeds for the long-term program. The more speculative short-term feeding systems such as heavy steers proved especially profitable early this year, though less so later. But nearly all feeding programs had higher profits this year than last. Estimated returns in 6 different programs will be reported in the November issue of this Situation.

Some Danger in Feeding this Coming Year,
Yet Careful Buying May
Allow Average Profits

The supply situation in prospect points to a probability of well sustained cattle prices during at least a large part of 1959. Costs of feed for the coming feeding season may average about as low as in the past season, for grain of equal quality.

In view of favorable profits in feeding the last 2 years and the higher prices for feeder cattle this fall, it would be possible for profits in feeding to be reduced sharply this coming season. In similar situations, this has happened several times in the past. Profitable feeding seasons in 1946-47 and 1947-48 were followed by losses in 1948-49. After two more big years, profits narrowed in 1951-52 and disappeared in 1952-53. Profits were low again in 1955-56.

It is almost certain that profits in feeding this coming season will be smaller than in the past season. They could be a good deal smaller. The \$6.00 increase in prices of feeder cattle this August over last brings those prices in line with the cyclical upswing in overall cattle prices. In other words, the cyclical gain in general level of cattle prices has now been incorporated or "capitalized" in the level of feeder cattle prices.

Table 3.—Average prices and costs in feeding steers in the Corn Belt, 1948 to date

Item	Feeding season beginning										
	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	
Price:											
Choice grade beef steers sold out of first hands, Chicago, April-July, per 100 pounds	25.40	29.36	36.15	33.69	22.70	24.24	23.26	21.17	23.72	28.32	
Feeder steers, Kansas City, August-December, per 100 pounds <u>1</u> /	25.00	20.65	27.73	31.71	22.86	16.36	18.74	17.30	17.27	20.94	
Corn, received by farmers North Central States, September-July, per bushel	1.239	1.175	1.511	1.638	1.438	1.401	1.370	1.238	1.205	1.019	
Alfalfa hay, received by farmers North Central States, September-July, per ton	23.96	21.48	21.34	20.79	23.23	21.88	20.59	19.27	19.17	15.64	
Soybean meal, 44 percent protein, wholesale, Chicago, September-July, per ton <u>2</u> /	74.06	75.85	75.34	88.66	82.85	88.29	72.84	64.69	57.97	63.49	
Sales value, per head:											
Choice steer, 1,050 pounds	266.70	308.28	379.58	353.74	238.35	254.52	244.23	222.28	249.06	297.36	
Cost, per head:											
Feeder steer, 700 pounds	175.00	144.55	194.11	211.97	160.02	114.52	131.18	121.10	120.89	146.58	
Transportation from market to feedlot	3.61	3.96	3.96	4.21	4.14	4.21	4.21	4.21	4.48	4.89	
Corn, 45 bushels	55.76	52.88	68.00	73.71	64.71	63.05	61.65	55.71	54.22	45.86	
Alfalfa hay, 0.75 ton	17.97	16.11	16.00	15.59	17.42	16.41	15.44	14.45	14.38	11.73	
Soybean meal, 150 pounds	5.55	5.69	5.65	6.65	6.21	6.62	5.46	4.85	4.35	4.78	
Transportation and marketing expense	8.65	8.97	9.18	10.12	10.29	10.46	10.43	10.82	11.32	11.76	
Total for items shown <u>3</u> /	266.54	232.16	296.90	332.25	262.79	215.27	228.37	211.14	209.64	225.60	
Margin, value over costs shown <u>3</u> /16	76.12	82.68	21.49	-24.44	39.25	15.86	11.14	39.42	71.76	

^{1/} Average all weights and grades.^{2/} Prior to July 1950, 41 percent protein.^{3/} Does not include overhead costs, cost of pasture or other feed ingredients and death loss, or credits for manure and for hogs following steers. The feed ration and prices shown are designed to be fairly representative of average feeding experience in the Corn Belt, but do not necessarily coincide with the experience of individual feeders.

Wide price margins in feeding thus are not likely this coming year. On the other hand, if fed cattle prices hold up well margins may be adequate. The upswing of the cycle in cattle numbers is still in its early stages, and the danger of a severe price break and negative feeding margins by next year is small. In view of low costs of feed, it seems likely that with careful buying of feeder cattle, about average profits could probably be made in feeding this year.

To sum up, the cattle cycle is in its expansion phase. Because insufficient time has elapsed for breeding herds to be enlarged, cattle slaughter will probably not differ a great deal in 1959 from 1958. While no marked shortage in beef, as occurred in 1951, is in view for 1959, considering the continued large volume of cattle feeding, supplies will likely remain rather small. Prices of fed cattle during much of next year are likely to be about as high as this year. Even though feeder cattle prices this fall will be somewhat higher than those of last fall, profits in feeding could be about average. Exceptionally high prices paid for feeder stock, however, would mean less than normal profits in feeding.

Hog Slaughter to Rise Seasonally

A seasonal upswing in hog slaughter is in the offing. Slaughter under Federal inspection in July was about 3 percent larger than last July. However, the weekly inspected slaughter rate in early August was still only around the one million mark and only a little above last year. As the early 1958 spring pig crop was up sharply ($14\frac{1}{2}$ percent more sows farrowed in December-February this year than last), this means that new-crop hogs are not coming in very fast. It would not be surprising if marketings this fall should be a little later than would be indicated by the pattern of farrowings.

Hog prices passed a peak the week of July 5, when the average price of barrows and gilts at 8 markets was \$24.02 per 100 pounds. In mid-August prices were about \$22.00, which was \$1.00 above a year earlier. While some price fluctuations can be expected, depending upon how fast marketings increase, prices will decline throughout the fall. They may remain above those of a year earlier most of the time until late in the year. The level reached near the end of the year may be maintained during the early months of 1959, when slaughter will be substantially above the low level of a year earlier because of the increase in this fall's pig crop. In June, producers planned to expand fall farrowings 14 percent.

The period of exceptionally high hog prices is almost ended. Beginning sometime late in 1958, prices of hogs will probably drop below a year earlier, and they will continue lower.

Lamb Slaughter Down;
Gain in Flocks Likely

Commercial sheep and lamb slaughter during the first 7 months of this year was 7 percent less than last year. Many of the 13 percent more lambs carried over last January 1 apparently are being added to farm flocks. The 1958 early spring lamb crop was estimated in March to be about 2 percent above the 1957 early crop and the year's total crop is currently expected to be 4 percent above last year.

Above average pasture conditions throughout most of the Western States have favored sheep production. This rebuilding plus a continued addition to flocks in the Eastern or Native States could mean a sizable gain in sheep numbers during 1958. This would be the second increase in a row. However, it would leave numbers far short of prewar levels.

Lamb prices in early August were a little above a year earlier. Choice spring lambs at Chicago the week ended August 16 averaged \$23.25 per 100 pounds, about \$2.25 below the early July peak and slightly below the average price a year earlier. Some seasonal decline could occur as this year's crop moves to market in volume, but prices seem likely to continue near those of a year earlier.

Shorn Wool Production
Up 2 Percent

Shorn wool production in 1958 is expected to be 240,446,000 pounds, grease basis, 2 percent larger than in 1957 and the largest since 1947. The gain is due to an increase of 3 percent in the number of sheep shorn as average fleece weights are lighter. The average weight per fleece was 8.17 pounds compared with 8.26 pounds last year and 8.29 pounds for 1947-58. Regions showing the largest gain in wool production were the Western States, West North Central States and South Central States.

1958 Meat Output Below 1957

Production of all meat -- beef, veal, lamb, mutton and pork--this year is expected to total around 25.9 billion pounds. This would be 4 percent less than last year and 8 percent below the record of 1956. The reduction largely reflects the reduced slaughtering rate for cattle and sheep. Beef consumption is expected to be around 79 pounds per person, down 6 pounds or so from the 85.4 pounds in 1956 and 84.5 pounds in 1957. Pork consumption at 60 pounds is slightly less than last year and is below average. Consumption of all meats for 1958 is currently forecast at an even 150 pounds, down 9 pounds from last year and well below the record of 166.7 pounds set in 1956.

(Concluded on page 19)

Supply and distribution of meat, by months, 1958

Period	Commercially produced								Total 2/		
	Supply			Distribution					Produc- tion	Civilian consumption	
	Produc- tion	Begin- ning stocks	Imports	Exports and shipments	Ending stocks	Military	Civilian consumption			Total	Per person
							Total	Per person 1/			
Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Lb.	Mil. lb.	Mil. lb.	Lb.	
Beef:											
January	1,210	134	43	5	135	31	1,216	7.1	---	---	---
February	961	135	59	4	116	28	1,007	5.9	---	---	---
March	986	116	43	4	110	36	995	5.8	---	---	---
1st quarter	3,157	134	145	13	110	95	3,218	18.9			3/ 19.5
April	1,024	110	62	3	103	28	1,062	6.2	---	---	---
May	1,062	103	61	4	100	27	1,095	6.4	---	---	---
June	1,079	100		3	108	29			---	---	---
2nd quarter	3,165	110		10	108	84					3/19.5
Veal:											
January	106	13	1	1	12	4	103	.6	---	---	---
February	86	12	4/	4/	10	3	85	.5	---	---	---
March	92	10	4/	4/	9	2	91	.5	---	---	---
1st quarter	284	13	1	1	9	9	279	1.6			3/1.8
April	91	9	1	4/	9	5	87	.5	---	---	---
May	90	9	1	4/	7	3	90	.5	---	---	---
June	91	7		4/	8	4			---	---	---
2nd quarter	272	9		4/	8	12					3/ 1.5
Lamb and mutton:											
January	59	5	1	1	5	4/	59	.3	---	---	---
February	53	5	4/	4/	4	4/	54	.3	---	---	---
March	56	4	4/	4/	5	1	54	.3	---	---	---
1st quarter	168	5	1	1	5	1	167	1.0			3/1.0
April	65	5	2	4/	7	4/	65	.4	---	---	---
May	62	7	4	4/	10	4/	63	.4	---	---	---
June	55	10		1	12	1			---	---	---
2nd quarter	182	5		1	12	1					3/1.0
Pork:											
January	892	194	15	10	218	15	858	5.0	---	---	---
February	709	218	13	11	228	14	687	4.0	---	---	---
March	774	228	14	10	224	20	762	4.5	---	---	---
1st quarter	2,375	194	42	31	224	49	2,307	13.5			3/15
April	807	224	16	8	260	15	764	4.5	---	---	---
May	734	260	16	9	243	14	744	4.4	---	---	---
June	710	243		10	210	17			---	---	---
2nd quarter	2,251	224		27	210	46					3/14
All meat:											
January	2,267	346	60	17	370	50	2,236	13.1	---	---	---
February	1,809	370	72	15	358	45	1,833	10.8	---	---	---
March	1,908	358	57	14	348	59	1,902	11.1	---	---	---
1st quarter	5,984	346	189	46	347	154	5,971	35.0			3/37.5
April	1,987	348	81	11	379	48	1,978	11.6	---	---	---
May	1,948	379	82	13	360	44	1,992	11.6	---	---	---
June	1,935	360		14	338	51			---	---	---
2nd quarter	5,870	348		38	338	143					3/36

1/ Derived from estimates by months of population eating out of civilian food supplies, unadjusted for underenumeration.

2/ Includes production and consumption from farm slaughter.

3/ Estimated.

4/ Less than 500,000 pounds.

Selected price statistics for meat animals and meat

Item	Unit	1957		1958	
		June	July	May	June
					July
Cattle and calves					
Beef steers, slaughter	Dollars per				
Chicago, Prime	100 pounds	25.37	26.88	32.07	30.40
Choice	do.	23.48	25.12	28.83	28.07
Good	do.	22.00	23.30	26.81	26.49
Standard	do.	19.52	21.15	24.74	24.36
Commercial	do.	---	---	---	---
Utility	do.	17.28	18.42	23.00	22.77
All grades	do.	23.07	24.76	28.27	27.67
Omaha, all grades	do.	22.13	23.79	26.65	25.95
Sioux City, all grades	do.	21.99	23.76	26.77	26.25
Cows, Chicago					
Commercial	do.	15.86	15.57	21.59	21.18
Utility	do.	14.80	14.36	19.82	19.94
Canner and Cutter	do.	12.96	12.78	17.39	17.88
Vealers, Choice, Chicago	do.	23.88	23.40	33.90	31.12
Stocker and feeder steers, Kansas City 1/	do.	20.20	20.74	27.16	25.38
Price received by farmers					
Beef cattle	do.	17.80	18.40	23.10	22.30
Calves	do.	18.90	18.80	25.70	24.70
Hogs					
Barrows and gilts					
Chicago					
160-180 pounds	do.	18.64	19.38	21.75	22.31
180-200 pounds	do.	19.85	20.82	22.96	23.44
200-220 pounds	do.	20.18	21.29	23.05	23.68
220-240 pounds	do.	19.97	21.27	22.87	23.52
240-270 pounds	do.	19.35	20.93	22.30	22.91
270-300 pounds	do.	18.82	20.40	21.66	23.32
All weights	do.	19.58	20.64	22.30	23.06
8 markets 2/	do.	19.65	20.79	22.03	22.97
Sows, Chicago	do.	16.28	17.99	18.78	19.40
Price received by farmers	do.	18.40	19.30	21.70	21.60
Hog-corn price ratio 3/					
Chicago, barrows and gilts		14.9	15.6	17.0	17.1
Price received by farmers, all hogs		15.1	15.7	18.9	18.2
Sheep and lambs	Dollars per				
Sheep	100 pounds				
Slaughter ewes, Good and Choice, Chicago	do.	4/5.90	6.63	4/ 8.14	4/7.37
Price received by farmers	do.	5.70	5.83	7.64	7.19
Lambs					
Slaughter, Choice and Prime, Chicago	do.	23.33	24.01	4/5/21.37	5/25.04
Feeder, Good and Choice, Omaha	do.	21.06	20.60	---	---
Price received by farmers	do.	20.20	19.90	20.50	21.20
All meat animals					
Index number price received by farmers					
(1910-14=100)		288	297	355	348
Meat					
Wholesale, Chicago	Dollars per				
Steer beef carcass, Choice, 500-600 pounds	100 pounds	38.80	41.66	46.56	45.59
Lamb carcass, Choice, 45-55 pounds	do.	44.00	46.13	45.12	45.92
Composite hog products:					
Including lard					
71.90 pounds fresh	Dollars	21.71	22.97	24.21	24.89
Average per 100 pounds	do.	30.19	31.95	33.67	34.62
71.01 pounds fresh and cured	do.	25.21	26.48	28.18	28.90
Average per 100 pounds	do.	35.50	37.29	39.68	40.70
Excluding lard					
55.99 pounds fresh and cured	do.	22.87	23.97	25.72	26.43
Average per 100 pounds	do.	40.85	42.81	45.94	47.20
Retail, United States average	Cents				
Beef, Choice grade	per pound	70.7	72.4	82.5	83.0
Pork, excluding lard	do.	61.8	64.2	65.6	67.9
Index number meat prices (BLS)					
Wholesale (1947-49=100)		96.5	99.2	114.4	115.8
Retail (1947-49=100) 6/		110.5	113.2	122.0	124.2

1/ Average all weights and grades.

2/ Chicago, St. Louis N. S. Y., Kansas City, Omaha, Sioux City, S. St. Joseph, S. St. Paul, and Indianapolis.

3/ Number bushels of corn equivalent in value to 100 pounds of live hogs.

4/ Shorn.

5/ Choice grade.

6/ Includes beef and veal, pork, leg of lamb and other meats.

Selected marketing, slaughter and stocks statistics for meat animals and meat

Item	Unit	1957		1958		
		June	July	May	June	July
Meat animal marketings						
Index number (1947-49=100)		106	116	111	104	
Stocker and feeder shipments to						
9 Corn Belt States	1,000					
Cattle and calves	head	160	272	277	267	249
Sheep and lambs	do.	108	222	144	138	265
Slaughter under Federal inspection						
Number slaughtered						
Cattle	do.	1,535	1,759	1,468	1,506	1,561
Steers	do.	800	878	831	857	
Heifers	do.	215	260	236	241	
Cows	do.	482	572	374	382	
Bulls and stags	do.	38	49	26	26	
Calves	do.	535	596	438	430	435
Sheep and lambs	do.	1,044	1,200	1,122	1,042	1,013
Hogs	do.	3,994	4,185	4,444	4,209	4,326
Percentage sows	Percent	21	23	11	17	
Average live weight per head						
Cattle	Pounds	974	963	1,006	997	
Calves	do.	231	238	222	229	
Sheep and lambs	do.	92	93	99	94	
Hogs	do.	253	244	246	251	
Average production						
Beef, per head	do.	546	536	568	564	
Veal, per head	do.	130	134	124	128	
Lamb and mutton, per head	do.	45	45	49	46	
Pork, per head	do.	140	138	140	144	
Pork, per 100 pounds live weight	do.	55	57	57	57	
Lard, per head	do.	39	35	36	35	
Lard, per 100 pounds live weight	do.	15	14	14	14	
Total production	Million					
Beef	pounds	835	940	831	847	
Veal	do.	69	80	54	55	
Lamb and mutton	do.	47	53	55	47	
Pork	do.	559	578	619	605	
Lard	do.	154	146	158	148	
Commercial slaughter 1/						
Number slaughtered	1,000					
Cattle	head	2,079	2,369	1,952	1,989	
Calves	do.	875	988	716	704	
Sheep and lambs	do.	1,186	1,359	1,268	1,200	
Hogs	do.	4,792	5,032	5,300	5,010	
Total production	Million					
Beef	pounds	1,086	1,220	1,062	1,079	
Veal	do.	115	132	90	91	
Lamb and mutton	do.	53	60	62	55	
Pork	do.	663	687	734	710	
Lard	do.	174	166	178	167	
Cold storage stocks first of month 2/						
Beef	do.	130	113	103	100	108
Veal	do.	11	10	9	7	8
Lamb and mutton	do.	7	7	7	10	12
Pork	do.	322	277	260	243	210
Total meat and meat products 3/	do.	552	484	453	422	396

1/ Federally inspected and other commercial.

2/ August 1 cold storage stocks are as follows in million pounds: Beef 113; veal 7; lamb and mutton 10; pork 166; total 353.

3/ Includes stocks of canned meats in cooler in addition to the four meats listed.

Humane Slaughter Bill
Passed by Congress

A bill (H.R. 8308) providing for humane slaughter of livestock was passed August 13 and sent to the President. The bill, if signed, would direct the Secretary of Agriculture to conduct research on and designate humane handling and slaughtering methods. Government purchase of meat would be prohibited after June 30, 1960 from any plant not using approved killing practices. Handling and slaughter in conformity with religious requirements are exempt.

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